



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Proxima Rx

Respondent Name

Starr Specialty Insurance Co.

MFDR Tracking Number

M4-25-0904-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

December 23, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 3, 2024	65162091838	\$357.50	\$357.50

Requestor's Position

"The original claim was denied for **EXTENT OF INJURY**. An **appeal** was submitted to and received by the carrier on **10/03/2024**. The appeal was denied by the carrier ... The carrier did not make payment for LIDOCAINE OIN5% and did not provide a new denial reason."

Amount in Dispute: \$357.50

Respondent's Position

The Austin carrier representative for Starr Specialty Insurance Co. is Flahive, Ogden & Latson. The representative was notified of this medical fee dispute on December 31, 2024.

Per 28 Texas Administrative Code §133.307(d)(1), if DWC does not receive the response within 14 calendar days of the dispute notification, then DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

Findings and Decision

Authority

This medical fee dispute is decided according to [Texas Labor Code \(TLC\) §413.031](#) and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

1. [28 Texas Administrative Code \(TAC\) §133.240](#) sets out the procedures for payment or denial of a medical bill.
2. [28 TAC §133.305](#) sets out the procedures for resolving medical disputes.
3. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
4. [28 TAC §134.503](#) effective October 23, 2011, 36 TexReg 6949 sets out the fee guidelines for pharmaceutical services prior to November 28, 2024.

Denial Reasons

The insurance carrier denied the payment for the disputed services with the following claim adjustment codes:

- 219 – Based on extent of injury.

Issues

1. Is the insurance carrier's denial based on the extent of the compensable injury supported?
2. Is Proxima Rx entitled to reimbursement for the drug in question?

Findings

1. Proxima Rx is seeking reimbursement for Lidocaine 5% ointment, NDC 65162091838. The insurance carrier denied payment based on the extent of the compensable injury.

28 TAC §§133.305(b) and 133.307(c)(1)(B)(i) state that a dispute regarding the extent of injury must be resolved prior to a request for medical fee dispute.

Per 28 TAC §133.307(d)(2)(H), the respondent is required to attach a copy of any related Plain Language Notice (PLN) if the medical fee dispute involves compensability or liability.

Review of the submitted documentation finds that the insurance carrier failed to respond to this dispute or provide a copy of a related as required by 28 TAC §133.307. DWC finds that the denial of payment based on the extent of the compensable injury is not supported.

2. Because the insurance carrier failed to support its denial of payment for the drug in question, Proxima Rx is entitled to reimbursement.

The reimbursement considered in this dispute is calculated according to 28 TAC §134.503(c)(1)(A), with relevant formula for generic drugs: ((AWP per unit) x (number of units) x 1.25) + \$4.00 dispensing fee per prescription = reimbursement amount.

Lidocaine 5% ointment: $(8.46501 \times 35 \times 1.25) + \$4.00 = \$374.34$

The total allowable amount is \$374.34. Proxima Rx is seeking \$357.50. This amount is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requestor has established that reimbursement of \$357.50 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that Starr Specialty Insurance Co. must remit to Proxima Rx \$357.50 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

May 7, 2025

Date

Your Right to Appeal

Either party to this medical fee dispute has a right to seek review of this decision under 28 TAC §133.307, which applies to disputes filed on or after **June 1, 2012**.

A party seeking review must submit DWC Form-045M, *Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)* and follow the instructions on the form. You can find the form at www.tdi.texas.gov/forms/form20numeric.html. DWC must receive the request within **20 days** of when you receive this decision. You may fax, mail, or personally deliver your request to DWC using the contact information on the form or the field office handling the claim. If you have questions about DWC Form-045M, please call CompConnection at 1-800-252-7031, option three or email CompConnection@tdi.texas.gov.

The party seeking review of the MFDR decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with DWC. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** with any other required

information listed in [28 TAC §141.1 \(d\)](#).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, opción tres o correo electrónico CompConnection@tdi.texas.gov.